

# Modeling of accounting policies as a tool of management of corporate financial performance

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## Abstract

In this paper, a study of methodological aspects of company's accounting policies as a tool of management of the corporate financial performance in terms of its market capitalization and net profit. The comparative analysis of the accounting policies conducted with an example of methods of depreciation for fixed assets showed that the choice of various depreciation methods can lead to significant variations in the company's annual net profit indicator. The paper presents the results of the econometric study the aim of which was to analyze the degree of influence of separate accounting policies items on the financial performance with the example of JSC "Transneft" to simulate accounting policies promoting to maximize the corporate financial performance. In the course of the regression analyzes us have confirmed all the null hypotheses, namely: it was found that the analyzed accounting policies of JSC "Transneft" (depreciation method) affect the corporate financial performance indicators. Upon that, the greatest impact of depreciation method was on the net profit of the company as compared to its market capitalization. Thus, we can conclude that the modeling of accounting policies by selecting the optimal method of accounting elements is an effective tool for a company management system.

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## Keywords

Accounting Policies, Corporate Governance, Financial Performance, Management, Market Capitalization, Net Profit